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STAT

# Gates raises doubts on Casey's role

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WASHINGTON - Robert M. Gates yesterday appeared headed for confirmation as the new director of central intelligence, but key legislators and other analysts said his two days of testimony raised serious new questions about the role former director William J. Casey played in the Iran-contra affair.

In addition, they said Gates' remarks before the Senate Intelligence Committee had left some members skeptical about Gates' candor and about whether they had yet learned the extent of the CIA's actions in the affair.

Of particular interest to both Republicans and Democrats on the committee were Gates' repeated denials - often to accusatory, sharp questions - that he should have done more to initiate an investigation once he had clues that money was being diverted to the contra rebels in Nicaragua.

Responses to this line of questioning raised doubts about Casey's role because Gates repeatedly said it was Casey who oversaw matters relating to both Iran and Central America.

For the first time in any testimony he has given this year or last, Gates said he had told Casey last September that he thought the Iran deal was a "bad idea" and should be discontinued. That served to focus more attention on Casey's role, because it appeared

to indicate that Casey had single-handedly upheld the CIA's end of the Iran program, which continued through last October.

In his testimony, Gates also cited at least three written indications Casey received last October that money had been funneled to the contras. But Casey left out any mention of the diversion when he testified about the Iran arms sale last Nov. 21.

Gates acknowledged that the information was intentionally omitted, but he said it was because only an "illegality," not an "impropriety," had to be disclosed under the law.

He also said, both Tuesday and yesterday, that he did not feel a need to press the matter with Casey because he felt the evidence was inconclusive.

The contra plan was disclosed publicly by Attorney General Edwin Meese 3d on Nov. 23, and several senators argued with Gates yesterday that he should have had reason almost two months before that time to believe that the diversion was going on.

"The testimony that was given by Director Casey on Nov. 21 ... was skimpy, scanty, uninformative and really misleading," a clearly irate Sen. Arlen Specter (R-Pa.) told Gates during his appearance yesterday.

Specter, along with other members of the committee, chastised Gates for not pursuing the matter with Casey when he helped his former boss prepare for his Nov. 21 appearance. And they rejected Gates' explanation that he believed that the material involved was too "flimsy" to spark his interest.

"Why didn't an electric shock go through your body?" Sen. Bill Bradley (D-N.J.) asked Gates, referring to an analysis that a CIA official gave him Oct. 1, 1986. The analysis told of overcharges in the Iran arms sales and said the contras may have been getting money but did not explicitly link the two. Gates said he took that information to Casey.

Specter later tangled with Gates about a draft authorization that the CIA's counsel had written to approve retroactively the agency's assistance on a weapons flight to Iran in late November.

The draft "finding" was never submitted for President Reagan's signature, but it is controversial because critics say it was intended to legalize a dubious action after the fact.

Gates insisted that the finding was put together to deal with future CIA activities, but Specter strenuously disagreed. At one point, he said to Gates: "You're flatly wrong." Gates stood his ground, however, and told Specter that he would have to talk to the counsel if he wanted more information.

Regarding diversion to the contras, in addition to the incident on Oct. 1, Gates said he had a hint of the program when Lt. Col. Oliver L. North made a "cryptic reference" to Swiss bank accounts during a luncheon with him and Casey on Oct. 9. He said he later discussed this with Casey, too, but added that Casey was uninterested so he dropped the subject.

Gates said a third indication of a money diversion came on Oct. 21, when a New York businessman who was a friend of Casey's told the former CIA director of suspicions he had about money going to the contras.

Senators' doubts about the CIA and Casey were fueled by these episodes and by the CIA's role in assisting some of the weapons supply missions. Gates asserted that the operation was conceived and discharged by the National Security Council, while the spy agency provided only logistical support when asked.

He conceded, however, that he had erred in not asking specific questions about what was going on and vowed never to allow the CIA to be used in such a manner again. Gates maintained that he, along with other agency employees, made a conscious effort not to know about the contra program in order not to run afoul of laws mandating that they not support supply efforts for the rebels.

While that explanation seemed intended to allay the fears of committee members about the legality of the CIA's actions, it often served to make the legislators dubious about whether they were getting the whole story.

Perhaps more important, it also raised questions about whether Casey had simply made the Iran-contra project his own

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and excluded his subordinates from the process.

"They didn't want to know, they didn't want to get involved," Sen. William Cohen (R-Maine), vice chairman of the intelligence panel, said of the agency's employees. Cohen said he believed that the NSC was chosen to run the project because it is not required to report to Congress, as is the CIA.

Sen. Patrick Leahy (D-Vt.), who was a member of the Intelligence Committee until last month, added in an interview: "Casey knows a lot more than he has said, but

now we will never know" because he is hospitalized. Leahy added that the CIA, in its effort to avoid telling Congress about the diversion to the contras, "worked harder on avoiding information than collecting it."

Despite the tough questioning of Gates, Cohen was among those who said Gates' experience and cooperativeness probably would lead to his confirmation. The committee is to vote on the nomination in about two weeks, and the full Senate will vote soon thereafter.

Gates did not criticize Casey

during the hearing. However, he said repeatedly that the CIA made numerous mistakes in the Iran dealings. In particular, he said, the administration made a serious mistake in not informing Congress of the enterprise for more than 10 months after it began.

Gates depicted the CIA under Casey as an agency that sought to avoid obeying the letter of the law on numerous occasions, including by telling his staff to remain uninformed about matters relating to the contras.

That shocked not only some Intelligence Committee members, but also such analysts as Adm. Stansfield Turner, a former director of central intelligence.

Turner said in an interview yesterday that he would never have told his staff to avoid learning about an intelligence operation. He said Casey's CIA, which performed some work on the contra operation despite a congressional prohibition, should have sought to find out why at least one of its agents was involved in an apparently illegal program.

"It is very serious," he said, "when a secret agency is not under its own control."